

## ABSTRACT

An essential attribute for the marketing of air-conditioners is the delivery of customer quality products and impressive services. As the product offering is very similar among competitors, the key areas of differentiation are in providing distinctive services. In order to remain highly competitive in the market, companies need to gain competitive advantage to attract new customers as well as to maintain existing customers.

This study aims to examine customer's expectations of air-conditioning services and perceptions of services provided by Siam Progress Engineering, Co. Ltd. The resulting service quality level outcomes are used in order to identify the firm's service strengths that can be exploited and weakness that require improvements.

A survey method was used and the primary data was collected through use of distributed self-administered questionnaires comprising mainly of questions on five SERVQUAL dimensions of Tangibility, Responsiveness, Empathy, Assurance, and Reliability. The sample comprised 104 respondents, all of whom are existing customers of Siam Progress Engineering Co., Ltd. SPSS 13.0 was used for the data analysis, which included descriptive statistics (i.e. frequency distribution) and inferential statistics (i.e. paired sample t-test) to test six hypotheses.

The results of the study indicate that Siam Progress Engineering Co., Ltd. meets customer expectations on three dimensions and exceeds customer expectation on two. Considering the relatively high expectations of customers, Siam Progress Engineering appears to provide the quality service levels that may give the firm a competitive advantage. Managerial implications and recommendations are given in order for Siam Progress Engineering to continue and even excel at providing its high levels of service quality.